

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

ELECTRONIC INVESTIGATION OF THE)	
REASONABLENESS OF THE DEMAND SIDE)	CASE NO. 2017-00097
MANAGEMENT PROGRAMS AND RATES)	
OF KENTUCKY POWER COMPANY)	

**BEVERLY MAY, JIM WEBB, AND SIERRA CLUB’S SUPPLEMENTAL REQUESTS
FOR INFORMATION TO KENTUCKY POWER COMPANY**

Pursuant to the Kentucky Public Service Commission’s (“Commission”) Order dated February 23, 2017 (“Order”), Intervenors Beverly May, Jim Webb, and Sierra Club (collectively “Sierra Club”) propound the following supplemental requests for information (“RFI”) on Kentucky Power Company (“KPC” or “the Company”) in the above-captioned docket.

KPC shall answer these RFI in the manner set forth in the Order and by no later than the June 9, 2017, deadline set forth in Appendix A of the Order. Please produce the responses to the RFI contained herein in electronic format to:

Jill Tauber
Chinyere Osuala
jtauber@earthjustice.org
cosuala@earthjustice.org

Matthew E. Miller
matthew.miller@sierraclub.org

Jim Grevatt
jgrevatt@energyfuturesgroup.com

Wherever the response to a RFI consists of a statement that the requested information is already available to Sierra Club, provide a detailed citation to the document that contains the information. This citation shall include the title of the document, relevant page number(s), and, to the extent possible, paragraph number(s) and/or chart/table/figure number(s).

In the event that any document referred to in response to any RFI has been destroyed, specify the date and the manner of such destruction, the reason for such destruction, the person authorizing the destruction and the custodian of the document at the time of its destruction.

All documents should be produced in electronic, text-searchable format, and all workbooks should be provided in Excel format, where available.

Sierra Club reserves the right to serve supplemental, revised, or additional discovery requests as permitted in this proceeding.

DEFINITIONS

Unless otherwise specified in each individual request, “you,” “your,” “KPC,” or “Company” refers to Kentucky Power Company, and its affiliates, employees, and authorized agents.

“And” and “or” shall be construed either conjunctively or disjunctively as required by the context to bring within the scope of these RFI and for the production of documents any information that might be deemed outside their scope by another construction.

“Any” means all or each and every example of the requested information.

“Communication” means any transmission or exchange of information between two or more persons, whether orally or in writing, and includes, without limitation, any conversation or discussion by means of letter, telephone, note, memorandum, telegraph, telex, telecopy, cable, email, or any other electronic or other medium.

The term “control,” as used herein, means, without limitation, that you have the right to secure the document or a copy thereof from another person or public or private entity having actual possession thereof. If a document is responsive to a request, but is not in your possession or custody, identify the person with possession or custody. If any document was in your possession or subject to your control, and is no longer, state what disposition was made of it, by whom, the date on which such disposition was made, and why such disposition was made.

“Document” refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software, and includes all copies, drafts, proofs, both originals and copies either (1) in the possession, custody or control of the Company regardless of where located, or (2) produced or generated by, known to or seen by the Company, but now in its possession, custody or control, regardless of where located whether or still in existence.

Such “documents” shall include, but are not limited to, applications, monitoring reports, computer printouts, contracts, leases, agreements, papers, photographs, tape recordings, transcripts, letters or other forms of correspondence, folders or similar containers, programs, telex, TWX and other teletype communications, memoranda, reports, studies, summaries, minutes, minute books, circulars, notes (whether typewritten, handwritten or otherwise), agenda, bulletins, notices, announcements, instructions, charts, tables, manuals, brochures, magazines, pamphlets, lists, logs, telegrams, drawings, sketches, plans, specifications, diagrams, drafts,

books and records, formal records, notebooks, diaries, registers, analyses, projections, email correspondence or communications and other data compilations from which information can be obtained (including matter used in data processing) or translated, and any other printed, written, recorded, stenographic, computer-generated, computer-stored, or electronically stored matter, however and by whomever produced, prepared, reproduced, disseminated or made.

For purposes of the production of “documents,” the term shall include copies of all documents being produced, to the extent the copies are not identical to the original, thus requiring the production of copies that contain any markings, additions or deletions that make them different in any way from the original.

“DSM” means demand-side management, including energy efficiency/conservation and load management programs.

“Identify” means:

- (a) With respect to a person, to state the person’s name, address and business relationship to KPC (*e.g.*, “employee”);
- (b) With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.

“Relating to” or “concerning” means, without limitation, pertaining to, referring to, or having as a subject matter, directly or indirectly, expressly or implied, the subject matter of the specific request.

“Workpapers” means original, electronic, machine-readable, unlocked, Excel format (where possible) with formulas intact.

PRIVILEGE

If you claim a privilege, including but not limited to the attorney-client privilege or the work product doctrine, as grounds for not fully and completely responding to any request for information, interrogatory or request for production, describe the basis for your claim of privilege in sufficient detail so as to permit Sierra Club and the Commission to evaluate the validity of the claim. With respect to documents for which a privilege is claimed, produce a “privilege log” that identifies the author, recipient, date and subject matter of the documents or response for which you are asserting a claim of privilege and any other information pertinent to the claim that would enable Sierra Club and the Commission to evaluate the validity of such claims.

REQUESTS FOR INFORMATION

- 2.1 Refer to KPC's Response to Sierra Club's Initial RFI no. 2.
- a. Please provide all of the criteria used for determining whether a low-income residential customer qualifies for support under the Targeted Energy Efficiency ("TEE") program.
 - b. Please explain how the Company derived the 700 kWh average monthly minimum usage requirement for the TEE program, both for primary electric heat and non-primary electric heat customers.
 - c. Please provide (i) the total number of low-income customers in KPC's service territory, as determined by the designated poverty guidelines as administered by the local community action agency); and (ii) the total number of low-income customers in KPC's service territory who meet the 700 kWh average monthly minimum usage requirement for the TEE program, including for primary electric heat and non-primary electric heat customers.
 - d. Please explain how cost allocations between KPC TEE funding and other Community Action Agency Weatherization funding are determined, including:
 - i. Please explain what rules govern determinations of measures to fund for a given home that receives services through the TEE ("project") and the funds to use.
 - ii. Please state whether each individual project is funded by a single funding source. If not, please explain.
 - iii. If individual projects are funded by multiple funding sources, please explain how the attribution of energy savings to the various funding sources is determined.
 - iv. Please state whether KPC reports only the energy savings that are directly attributable to its funding under the TEE program.
 - v. In its response to Sierra Club's Initial RFI No. 2, KPC reported that, in 2016, 89 households received weatherization and education services and 55 households received high efficiency heating systems. Please state whether these projects were fully funded by KPC. If not, please describe all funding sources.
 - e. Please state whether KPC tracks participation of low-income customers in the programs it describes in response to Sierra Club's Initial RFI No. 2 as being available to all customers (aside from the TEE program).
 - i. If the answer is yes, please provide all available data on the participation of low-income customers in these programs.

- ii. Please state whether KPC has conducted outreach targeting low-income customers in an effort to increase participation in the programs described.
 - f. Please explain how KPC determines the appropriate level of investment in DSM programs targeting low-income customers.
 - g. Please state whether KPC has examined opportunities to offer additional DSM programs targeting low-income customers.
- 2.2 Refer to KPC’s Response to Sierra Club’s Initial RFI no. 4. Please provide the Company’s “fundamental analysis of energy.”
- 2.3 Refer to KPC’s Response to Sierra Club’s Initial RFI no. 5. Please provide the Company’s “fundamental price analysis.”
- 2.4 Refer to KPC’s Response to Sierra Club’s Initial RFI no. 11. Regarding the Company’s net lost revenue calculations:
- a. Please explain how KPC derives the “net lost revenue factor” for each program.
 - b. Please confirm that KPC collects net lost revenues to recover only the lost contribution to fixed costs. If your answer is anything other than “confirmed,” please explain.
 - c. Please confirm that net lost revenues are designed only to capture program effects that occur between base rate cases, at which time the impact of reduced sales due to DSM is addressed through base rates. If your answer is anything other than “confirmed,” please explain
 - d. Please confirm that KPC adjusts fixed costs in base rate cases to reflect the full lost revenue effects of DSM that have occurred since the previous base rate case. If your answer is anything other than “confirmed,” please explain.
 - e. Once KPC has adjusted base rates to reflect the effects of DSM in reducing the volume of energy sales across which fixed costs must be collected, please state whether KPC continues to collect lost revenues for the DSM programs whose impacts occurred prior to the base rate case. If the answer is anything other than “no,” please explain.
 - f. Please explain whether KPC collects lost revenues for three years regardless of the measure lives of the programs.
- 2.5 Refer to KPC’s Response to Sierra Club’s Initial RFI no. 13.

- a. Please provide the residential and commercial tariff rates in effect at the time that corresponds to each change in the DSM surcharge reflected in KPC’s response to subpart (a) of the RFI.
- b. Please explain what caused the residential surcharge to increase from 0.000383 to 0.008013 over the two-year time frame between March 2015 and the present.

2.6 Regarding the Residential Home Performance Program:

- a. Please provide the measure life used to develop savings estimates for this program.
- b. Please state for how long KPC claims lost revenues for this program.
- c. Please state whether KPC has targeted any portion of the Residential Home Performance Program to low-income ratepayers.
 - i. If yes, please explain how KPC has done so.
 - ii. If no, please explain whether KPC has analyzed the benefits of such targeting.

2.7 Refer to KPC’s Response to Sierra Club’s initial data request no. 14, in which KPC states that “it is not possible” to state how much, if any, of the current DSM surcharge is intended to make up for past under-collection of expenditures that have already been made. Notwithstanding the fungibility of money and the current lack of allocation of the DSM factor, please explain why “it is not possible” to compute how much of the current DSM surcharge is intended to make up for past under-collection of expenditures that have already been made.

2.8 Please refer to KPC’s Response to Sierra Club’s Initial RFI no. 16, in which KPC provides a spreadsheet that indicates that the amount of residential and commercial surcharges needed to collect an ongoing annual expenditure of \$6M, including associated lost revenues and incentives, would be 0.002071 and 0.001938, respectively.

- a. Please confirm that the following chart reflects the difference between the current DSM surcharge and DSM surcharge estimates provided in response to Sierra Club’s Initial RFI no. 16. If your answer is anything other than “confirmed,” please explain.

	RES	COM
Current Surcharge	0.008013	0.004206
Q16 Surcharge for ongoing \$6M expenditure	0.002071	0.001938
Difference	0.005942	0.002268
Difference as a % of current surcharge	74%	54%

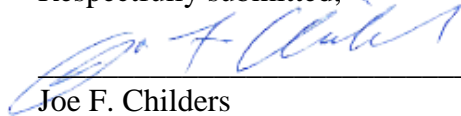
- b. Please confirm that the difference between the DSM surcharge estimates provided in response to Sierra Club’s Initial RFI no. 16 and the current surcharges is primarily due to the current collection of previously under-

collected funds. If your answer is anything other than “confirmed,” please explain.

- c. Please identify and explain the factors that lead to the current level of previously under-collection funds.

Dated: May 19, 2017

Respectfully submitted,



Joe F. Childers
Joe F. Childers & Associates
300 Lexington Building
201 West Short Street
Lexington, KY 40507
Phone: (859) 253-9824
Fax: (859) 258-9288
Email: childerslaw81@gmail.com

Of counsel
(Pro hac vice application pending)

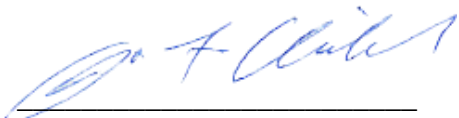
Matthew E. Miller
Sierra Club
50 F Street, NW, Eighth Floor
Washington, DC 20001
Phone: (202) 650-6069
Fax: (202) 547-6009
Email: matthew.miller@sierraclub.org

Jill Tauber
Chinyere Osuala
Earthjustice
Washington, DC Office
1625 Massachusetts Ave., NW, Ste. 702
Washington, DC 20036
Phone: (202) 667-4500
Fax: (202) 667-2356
Email: jtauber@earthjustice.org
cosuala@earthjustice.org

Counsel for Beverly May, Jim Webb, and Sierra Club

CERTIFICATE OF SERVICE

This is to certify that the foregoing copy of the BEVERLY MAY, JIM WEBB, AND SIERRA CLUB'S SUPPLEMENTAL REQUESTS FOR INFORMATION TO KENTUCKY POWER COMPANY in this action is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on May 19, 2017; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing in paper medium is being delivered to the Commission.



Joe F. Childers